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New York

1896

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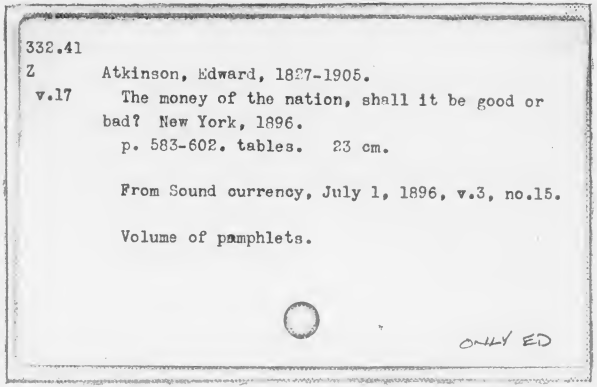

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What a fool a workman would be who would take his pay in cheap money, unless forced to! What every man wants is money which will buy the most goods, the most food, the most fuel, the most clothing. His money must be good money everywhere, else he suffers wrong.

Again, witness the ridiculous absurdity on the part of the people of Texas sending representatives to Congress who advocate a policy by which bad money could be forced upon them for their three million bales of cotton, for their beef cattle, for their timber, for their wool, for which they now command good money on the gold standard.

THE MONEY OF THE NATION: SHALL IT BE GOOD OR BAD?

EDWARD ATKINSON.

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THE MONEY OF THE NATION: SHALL IT BE GOOD OR BAD?

Mr. President and Gentlemen of the Manufacturers' Club of Philadelphia:

I have seldom received an invitation to make an address which gratified me more than the one which has brought me here this evening. It is from a body of men who are entitled to the position and influence which they have attained by what they have accomplished in developing the great industries of this country; yet with some of whom I may assume that there is a profound difference of opinion with myself on many important questions.

We are to-day again at a parting of the ways. We are at this time and in this year to decide upon a more difficult problem than that of overcoming the retarding influence of slavery. The passive war of slavery could only logically culminate in the active war by which it destroyed itself. That was merely a question of the strongest, and the principle of personal liberty prevailed, but the question which we must now solve is more subtile. The problem with which we are called upon to deal is whether the money of this nation shall be good or bad. As there could be no compromise between free labor and slave labor, so there can be no compromise between good money and bad money. Bound up in this problem is the further question whether or not this Union shall assume its paramount position among all the nations of the world, or shall fall far behind them under the bonds of financial ignorance.

I know that you will be as earnest to have me speak from my convictions whether they differ with yours or not, as my southern friends have been when they have so often called upon me to act as a pointer in the direction of the further development of their great resources. I have presented this problem in its simplest form. I now take my stand on the single issue on which I am well aware that I shall not be sustained by all your members, but knowing so many of you in my business relations with you to be strong men, fully competent to direct great undertakings and who would not for a moment be tempted to advocate any policy which was adverse to the common welfare for your own selfish greed, I am very sure that I shall be supported by the great majority.

GOLD THE WORLD'S STANDARD.

The stand that I now take is that in the present condition of the world, and in the present condition of interdependence among nations which exists whether we will or no, money made of gold is good money; money made of silver is bad money, except for subsidiary use in small coins convertible on demand into gold. I admit that silver has served a useful purpose as a standard, but it has yielded to the survival of the fittest. Gold has become the standard, or unit, to which all great commerce adjusts itself whether we will or no. In order that I may sustain this position let me give you the best definition of money that has ever come under my notice. It is that presented by Henri Cernuschi, the most conspicuous, the most sincere, and the ablest bimetallist of the present time, a man who is entitled to the respect and esteem of all who know him. His distinction between good money and bad money is this:

"It is by the ordeal of fire that money may be tried. The coins which, being melted down, retain the entire value for which they were legal tender before they were melted down are good money. Those which do not retain it are not good money."

There is but one kind of coin that meets this test of good money, and that coin is made of gold. Each one of these coins is estimated or valued by the exact quantity or weight of pure gold contained in it. This rule holds as true in respect to the coin which I have upon my watch chain, made about 2,400 years ago

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by the second Philip of Macedon, the father of Alexander the Great, as it does in respect to the last gold coin struck in the mint of this city by the United States. This Macedonian coin was named a Stater, because it was the standard or unit of value of the ancient world, as the gold in the coin of the present day according to its weight is the standard or unit of value of the modern world.

Yet bi-metalism, tri-metalism and quadru-metalism have existed, now exist and will exist. Silver, copper, nickel, even iron have been coined and used, and are now used, even iron in Africa, as money metals—but they can be used only among the great manufacturing and commercial states, as subsidiary coins or tokens convertible on demand into the standard coin of gold which is the world's unit of value.

In what then consists the difference between Monsieur Cernuschi and those who stand with me in defence of the single unit of value as now established by the statutes of the United States? It is this: Monsieur Cernuschi, President Francis A. Walker, President E. B. Andrews and, I believe, Mr. Arthur Balfour, and a very few other persons who are held to be of any authority in the discussion of monetary science, hold that all money of whatever material—gold, silver, copper or paper—derives what we may call its monetary power by force of acts of legal tender. Acts of legal tender are acts of force. They give to the debtor under a bi-metallic or optional tender, a choice of what kind of money to tender, while they deprive the creditor of any choice in the matter; on refusal of a legal tender the creditor may forfeit his whole claim. Conceive, if you can, a form of contract on steel which would give to the contractor the right to tender basic, bessemer or crucible steel in fulfilment of his contract, while depriving the buyer of any choice in the matter and compelling him to make payment for whatever the contractor might tender to him, or if paid in advance to forfeit his money. There is a perfect analogy between these two cases.

On the other side, nearly all economists and students of monetary science and nearly all bankers of repute hold to the theory and adjust their practice to the fact that money derives its monetary power from the estimation in which the substance of which it is made is held by the community. I am speaking now of absolute money, of coined money, not of its credit substitutes.

If by law, treaty or agreement, either use or value can be imparted to two metals of varying cost and estimation, the same law, treaty or agreement can make stamped paper equal in monetary power to either.

I may assume that in such a body as this there are no advocates of government fiat or paper money, and that there are none so ignorant as to assume that merely to stamp either paper or silver with the name of a dollar makes it a dollar of good money. The stamp upon a silver dollar is but the certificate of its weight and quality. Much confusion arises from making no discrimination between acts of coinage and acts of legal tender. If there were no act of alternate legal tender, the free coinage both of gold and silver would be perfectly safe. There would then be a free choice. Those who believed in silver could make their contracts in silver to be fulfilled only in silver—those who held to the gold unit of value would make their contracts in gold to be fulfilled only in gold. I have never yet met an advocate of free silver coinage who did not flinch before this proposition. His real animus is at once exposed when free coinage is offered without any reservation. "No," he says, "that is not what we want. We want not only free coinage but we want a law of legal tender that will empower us to compel the acceptance of the fifty-cent dollar whenever we may tender it. We do not propose to give the creditor any choice."

GOLD STANDARD INDISPENSABLE TO INTERNATIONAL TRADE.

The purpose of the advocates of what is called international bi-metallism is to bring the force of acts of legal tender into international commerce. Their purpose is to give the debtors of one nation or the debtor nation or state the power to force upon their creditors of another nation, coins made either of gold or of silver at a fixed ratio. They hold that if that force of law is applied to the use of silver it will bring silver to a parity with gold at the ratio of weight which may be agreed upon.

The advocates of the free coinage of silver at sixteen to one in this country, without the co-operation of any other country, go one step further and either believe or pretend to believe that this country can by its own act raise the ratio or valuation of silver from its present proportion, ranging from thirty to thirty-two of silver to one of gold, up to sixteen to one by act of legal tender. It is difficult for me to conceive how such errors can be honestly held, but I do not intend to impute a dishonest motive to any one here. I know you all too well, either personally or by repute, to do that.

We must first deal with international commerce in the conduct of which there is no act of force or legal tender. The sum of all the exchanges of product for product by import and export among nations, comes to between sixteen and eighteen billion dollars ($16,000,000,000 and $18,000,000,000) a year—a huge sum. Without attempting to give you the proofs at this time—which I will give in part to anyone who desires them—the domestic commerce of this country at the present time—the sales and purchases every day amount to one hundred million dollars ($100,000,000), for food, fuel, fibers and fabrics only,—the sum of our domestic commerce coming to the huge total of at least thirty-five ($35,000,000,000) and probably forty billion dollars ($40,000,000,000) a year. You will observe whatever may be the legal tender money of each state or nation sharing in international commerce, whether it be the silver of Asia, or the paper of Russia and South America, or the gold of this country, yet by far the larger part of these international exchanges is conducted in the monetary term of pound sterling. That monetary term or title has become the stater or standard or unit of value of modern commerce. What is a pound sterling? There is no coin carrying or bearing that lawful name. The coinage acts of Great Britain provide for a two-pound piece and a five-pound piece, but not for a one-pound piece. The sovereign is the equivalent in coin when of full weight corresponding to the title "pound sterling," which stands for 113.0016 grains of gold. But if the sovereigns are abraded or light in weight, they are not a legal tender on contracts made in terms of pounds sterling. A contract or bill of exchange in pounds sterling can only be discharged by a tender of the full weight of gold.

It is the assured credit, the trust reposed in the stability of that standard or unit of value or stater, which has made London the banking center of the world. It is to her stern adherence to that single standard that Great Britain owes a large part of her paramount control of the commerce of the world. Shall we share in that credit with her, or shall we deprive ourselves of all share by our own discredit and serve her interests most fully by debasing our own standard or unit of value at the dictation of the owners of the silver mines of the far west?

I take no exception to a scientific discussion of what is called bi-metallism. I wish international bi-legal-tenderism could be tried, but I conceive that it is

coinage in this country only, one realizes what folly it would be for our cotton and grain growers to consent to such an act. During the last ten years sixty per cent. (60%) of our exports, mainly consisting of cotton, grain and provisions, have been bought of us by Great Britain and her colonies. The excess of these sales above our imports from Great Britain and her colonies has amounted to an average of two hundred and forty million dollars ($240,000,000) a year; twenty-four hundred million dollars ($2,400,000,000) for the decade. That sum has been passed to our credit in London in pounds sterling, that is, that weight of gold has been placed at our disposal. What does Great Britain do with her imports of cotton and food? She converts them into fabrics which she sells in very large measure to Asia, South America, Africa and other silver or paper using countries. In order to pay us in money good as gold, the cost and uncertainty of converting the silver which she receives into gold—falls on her the conduct of her export trade—and that cannot be done without additional risk and cost. If an act of free coinage of silver at 16 to 1 were adopted by us, Great Britain would rejoice in the opportunity to pay over in the next ten years twenty-four hundred million dollars ($2,400,000,000) in silver to this country, at its coinage value or twice its bullion value, while retaining to herself the gold of the world, of which a considerable part would consist of our entire stock and our annual product of gold, under the inexorable law that a base currency which is of legal tender drives all good money out of circulation. Do you wish to conduct our commerce with Great Britain on a policy of "Heads she wins—tails we lose?" If you do you make an alliance with the Silver Senators to coin silver bullion at 16 to 1.

But it wouldn't work. No nation and no State, even in this Union, forbids special contracts in terms of gold subject to liquidation only by payment in gold whether coined or by weight, although some futile attempts have been made in some of the States of the Union to interfere with free contract even to that extent. Gold delivered by weight under the title "pound sterling" has become the medium of exchange, and the money of account in international commerce by a process of natural selection and not by statute, treaty or agreement. Let it be assumed that there should be an agreement of mutual legal tender, commonly called bi-metallism, between the great commercial nations. What would bankers and merchants then do? It would bring uncertainty into their business in place of certainty. It would render it necessary to add an element of insurance to the price of every bill of exchange. My impression is that the great banks and bankers of the world would at once combine to make a great special deposit of gold bullion in reserve somewhere, probably in London; perhaps in part in London, New York, Paris, and Berlin; then inventing a new name for a given weight of gold, the names dollar and pounds sterling having been discredited and having lost their significance through the interference of the bi-legal-tender act. Drafts would then be made under this new term. Suppose the word "stater" were adopted and the weight of the stater were fixed at one hundred (100) grains of gold for convenience. All types of other kinds of money would then of necessity be adjusted to that standard. The computations for establishing the value of each by the standard of the stater of one hundred grains of gold would be very simple. In that event this absurd carting of gold about the country and moving it at the risk of loss across the seas might be wholly stopped. The bankers would each maintain their own part of the reserve. It would be almost unnecessary to move any. Gold is not fit, in fact, to serve as pocket-money, because of the great wear and tear; it is too valuable. Thus absolute stability would be given to the standard or stater

by great banks and bankers whose credit and standing would then be vastly better than that of any of the States or nations which had entered into the bi-metallic or bi-legal-tender agreement.

All international commerce might then be conducted by bills of exchange drawn in terms of "stater," exactly as they are now drawn in terms of the "pound sterling." The difference would be that Great Britain, having discredited the name of "pound sterling" by making it a name for either gold or silver at a fixed ratio would lose the prestige which she now possesses, and that prestige would pass to the combination of the great banks and bankers of the several countries who trusted each other in this way, and whom the whole business community would then trust or rest upon for the security and stability of their contracts. Do you think Great Britain will commit such a folly as to discredit the pound sterling? If you have any doubt, read the report of the recent debate in Parliament in The Times of March 18, from which I make one notable extract from the speech of Sir John Lubbock. Referring to the last year, he said: "Anyone listening to the bi-metallic arguments would suppose that English farmers were being ruined by our markets being flooded with produce from silver-using countries. Now, what were the facts—we imported a little over £150,000,000 worth of produce; only £3,100,000 came from silver-using countries, while £147,000,000 worth came from those using gold or convertible paper."

THE CURRENCY OF OUR DOMESTIC TRADE.

I have given you the huge total of international commerce; let us now recur to our domestic traffic.

The daily transactions, the purchases and sales of the people of this country in supplying themselves with food, fuel, shelter and clothing—all that we get in a material sense out of life, and all that we need for the support of material life—amounts to not less than one hundred million dollars' ($100,000,000) worth of exchanges every day. What folly to talk about per capita circulation of money! Whenever a man begins to talk to me or to write to me about the quantity of money per capita which a nation may need, I despair of my own ability to drive any common sense into his head. The use of money in circulation is only for pocket-money—the greatest part of the aggregate, one hundred million dollars' worth ($100,000,000) of purchases and sales every day in the year is liquidated by checks, book accounts or other instruments of credit. Moreover the rule is perfectly plain that the use of money in circulation for pocket-money is in inverse proportion to the wealth and intelligence of a community. The canny Scotch, who have developed the best banking system in the world, use less money in circulation than any other people. Their ten or eleven great banks, with more than one thousand branches, extend to every corner of their small domain, and there is scarcely a farmer, hardly a crofter in the whole domain of Scotland who has not intelligence enough to have a bank credit and to use a check-book.

But on the other hand when you think of this enormous volume of transactions and when you bear in mind that a shock to the credit of the unit of value, by which standard trade is carried on, retards the circulation of these commodities, and may even cause almost a complete paralysis—as it did when the panic which was brought on by the danger of the free coinage of silver came—you may imagine its malignant influence. What is the matter today? The world, even this country, is always within a year or less of starvation,—within two or three years, a little more or less, of becoming naked,—always within three or four years of having the huge addition of the population homeless for

lack of room in houses already existing. All these products of the soil, the mine, and the forest must be kept in constant circulation on their way to the immediate or slow consumption which is the end of all production—and yet a shock to credit may stop or retard the progress in all these lines, bringing on disaster as it has in the near past—as there is danger that it may now in the immediate present—and as there is certainty that it will again if the circulation of bad money is not stopped, and that bad money withdrawn from the veins which it poisons. The late sale of bonds is but a stop-gap. There will be no cure to the evil of bad money until every note of the United States which is redeemed or paid in coin, either of gold or silver, is cancelled and its evil course in collecting a forced loan ended. The great volume of useful products which men, women and children will need and must have is now held as by a dam. But it is a dam of damnable discredit due to the utter confusion in our monetary system, and that discredit is caused by the incapacity of all the Congresses of late years in which the dishonors have been divided between the two parties. It is with a sense of profound humiliation that we are compelled to admit that the danger of free coinage has been upon us. I am almost ashamed to be called upon to present the grounds upon which this country of all existing nations may maintain its credit and paramount position in the face of danger from the betrayal of a trust by its own people. We hold the command of all the gold of the world that we need to sustain our credit and we should do so if not an ounce were produced within our own domain because we produce so large a part of the food and fibers that the world needs.

With the gradual development of common sense and with the growing observation of economic facts, the fallacious theory that labor is cheap because it is low-priced, and that labor is dear because it is high-priced, is beginning to become absurd. No manufacturer practices on that theory. Whenever it becomes necessary to discharge any part of a working force in hard times, are not the low-priced men the first ones discharged? Are not the high-priced men kept on because they are the only ones who can assure a full product from expensive machinery at the lowest cost of labor per unit of product? High wages or earnings are a product. They are secured in largest measure where the conditions are most favorable and the taxes the lowest; capital advances only the wages of labor, extending a credit to the future which gives assurance that from the sales of the joint product these wages will be recovered with a profit added. Both wages and profits must be measured in terms of money. That money must be a stater, a standard, a unit of value. What a fool a workman would be who would take his pay in cheap money unless forced to! What every man wants is money which will buy the most goods, the most food, the most fuel, the most clothing. His money must be good money everywhere else he suffers wrong. Nay, when there is a doubt about the stability of the unit of the value, the bankers, who maintain their own affairs on a gold standard, surely profit out of the fluctuations of the monetary unit at the loss of every workman.

There are some men who are engaged in this effort to debase the unit or standard of value of this nation who are entitled to no respect. They are men like the Senator from one of the new States who met my protest against the free coinage bill of the last Congress with the bold avowal, "You need not argue the case with me, Atkinson. I don't believe in the d——d rot, but I have got to vote for it." These are the men who would foist cheap silver of legal tender upon the community in order to raise prices, without regard to wages. These are the Senators who lend their own money on mortgage payable only in gold, and yet pretend to act for the public benefit in debasing the unit of

value. When such men are to be dealt with, one may paraphrase the words of Ebenezer Elliot, the Corn-Law rhymer.

What is bad money then, thou slave,
Whom robbers represent?
What is bad money then, thou knave,
Who lov'st bad government?
It is the deadly will that takes
What labor ought to keep.
It is the deadly power that makes
Goods dear and labor cheap.

In place of dealing any further with the petty fallacies with which the advocates of the silver miners try to mislead the public, I will now try to bring before you certain great facts. It is often alleged that gold is becoming more and more scarce and has consequently appreciated. This appreciation is declared to be proved by the fall in prices. In all the discussions which come to our notice the proof of this fall in prices rests on the admitted fall in respect mainly to the products of agriculture, chiefly articles of food, at the European centers, London and Hamburg, whence this food is distributed for final consumption. The London, Hamburg and other well-assured lists of prices all agree that there has been a great fall in prices since 1873, the year of alleged injustice and wrong to silver. No notice is taken of the fact that for twenty-five years antecedent there were greater variations in prices than in the subsequent period. Prices did, in fact, culminate in 1873, and have, on the whole, been declining in London and Hamburg, in Great Britain and in Europe, especially in respect to articles of food, since that date. There are some exceptions. Some prices have risen. But those silver advocates pay no regard to the fact that there has been a coincident rise in the rates of wages. There has also been a fall in some food prices in the Atlantic States of this country, especially in respect to cereals. But there has been a coincident and yet greater advance in the rates of wages. There has been a fall of prices in Great Britain, but there has been a steady advance in the rates of wages, less than ours it is true, and the same is true in less degree of the Continental States. One may ask why the rise in wages abroad has not been as great as our own? If low prices and higher wages are correlative terms, why do they not march together? The reason is very plain to all but those who won't see. We have been reducing our taxes and our expenditures in ratio to our population, and while Europe has been preparing for war, we have prepared for the works which make for peace and plenty, and yet we have lately spent about $7,000,000 upon two ships of our navy, bearing the base title "Commerce Destroyers." This will become as grotesque to you as it is to me when I give you the evidence that about the only commerce to be destroyed is that of the European States which take eighty-three per cent. of the exports on which the welfare of our farmers now rests.

Our national debt at its highest point, August 31, 1865, was eighty-four dollars ($84) per head. On the 31st of December, 1895, it was a fraction under thirteen dollars ($13) per head. But owing to the present absurd necessity, which the government is under of counting cheap silver as an asset of full debt-paying power, we must add to that estimate of thirteen dollars ($13), two or three dollars per head for the loss which we shall ultimately pay through having incurred a debt to the amount of nearly five hundred million dollars ($500,000,000) for the purchase of silver bullion. Our taxes at the highest point, immediately after the war, were a fraction under sixteen dollars ($16) per head. But out net ordinary expenses were then rapidly diminishing. We were making also payments of the debt. The net expenditures in 1866, when affairs had become fairly adjusted to the condition of peace, were a little over ten dollars ($10). In 1886 they were four dollars and fifteen cents ($4.15) and they continued at less than an average of four dollars and fifty cents ($4.50) down to 1890. Under the legislation of that year they rose to five dollars and seventy-three cents ($5.73) in the year 1893, but they are now back again to five dollars ($5) or less per head of the population, and unless jingoism prevails they will be lessened year by year.

Under the legislation of 1890, the Treasury was deprived of a revenue from sugar which had yielded for many years ninety-two cents (92 cents) per head. Had that revenue been continued to the present date, the deficiency would have been covered, and there would have been an excess available for the payment of debts of at least one hundred and fifty million dollars ($150,000,000). Yet the framers of that act of 1890 builded better than they knew. The necessity which soon ensued for the Secretary of the Treasury to apply the cash balance in the Treasury to meet a deficiency of revenue called serious attention to the grave danger of the Sherman act for borrowing by force year by year on legal tender demand notes and piling away a stock of useless silver bullion in the Treasury of the United States. Had it not been for that deficiency, which is now ended, it is not probable that the Sherman act would have been repealed. The evil day of reckoning would have been put off and the penalty would have been the greater the longer it was deferred.

Think of it a moment, gentlemen, we have borne a tax of nearly sixteen dollars ($16) a head without retarding our progress. If a way could now be devised for collecting a tax at that rate for only a single year, it would cover the whole outstanding bonded debt of the United States and the normal expenses or cost of government of that year as well. Compare with our neighbors over the sea. The budget of Great Britain increased in order to build more battle-ships, just presented to the Parliament of the United Kingdom, calls for national taxation and expenditure in the present year at the rate of very nearly thirteen dollars ($13) per head. The excess of British taxation of eight dollars ($8) over our present rate of five dollars ($5) would pay our whole national debt in less than two years.

But now let us return to the question of prices. It is claimed on the basis of the admitted data of European prices that because they had fallen gold has risen, that is to say, it has appreciated. A fall in prices is said to be a sure sign of the appreciation of gold. It is held that this tendency must be checked; that prices must be raised by injecting more cheap silver into the money of the commercial world so that by increasing the quantity and lowering the quality of the combined coinage, the whole course of prices may be reversed. That has been and is the objective point of the advocates of free silver in this country.

The moment that dangers of free coinage became apparent the long-predicted panic ensued and the industrial paralysis occurred. Prices fell instead of rising, because of the check to credit. Thousands and thousands of workmen were reduced to compulsory idleness. There was widespread want in the midst of plenty as anyone might have foreseen who had any capacity to forecast the malignant influence of the national discredit which was sure to follow the silver craze—as many did foresee and did record their forecast—myself for one. We have not yet surmounted the influence of that free silver panic, and we shall soon be exposed to a greater one if the audacious demands of the silver mining senators receive any support from such a body of men as that which I am now addressing. If it were not for the existence of these silver mines, whose advocates so impudently demand that "something shall be done for silver," there

would never have been any question of free silver coinage in this country. We should have had an orderly, reasonable discussion of bi-metallism, which business men would have disregarded as they now do in England, being well assured that the present standard will not be altered. If it had not been for the undue political influence of these mis-representatives of the nation, who occupy places in the Senate and who pervert this influence in order "to do something," for the private gain of the silver miners whose petty product has cost as a whole from the outset by their own admission, more than it has come to, the political trimmers of others States would not have made an unholy alliance with them in disregard of the fundamental principles of sound finance.

"Something must be done for silver," forsooth. Now just for the fun of the thing, if for nothing else, let us take the measure of this dominant power which rules this country. I told the magnates of South Carolina the other day that the cur dog rules their State, forbidding wool growing, retarding the progress of agriculture and keeping back the progress of their States. Within a month the Legislature of South Carolina passed the most stringent dog law in the United States, and Georgia will soon follow.

SILVER MINES VS. HEN HOUSES.

I now propose to compare the product of the silver mines with the product of the hen mines. The egg standard is a useful one, which I often refer to. There are a great many people who can tell a good egg from a bad one, who do not appear to be able to tell good money from bad money. I have gauged the product of eggs in a great many ways—there are many methods—it is an absolute fact that the sales of eggs from the barn yards of this country amount to more than one hundred million dollars ($100,000,000) a year. The bullion value of the silver produced last year was thirty-two million dollars ($32,000,000)—a third part of the value of the hens' eggs. The coining value was sixty-four million dollars ($64,000,000). That margin of one hundred (100) per cent. profits is the objective point of the chief promoters of the free coinage of silver at 16 to 1. The silver dollar of full legal tender is the cur dog of our monetary system. On that point there is hearty agreement between those who support the single unit value on a gold basis and the honest representatives of the bi-metallic theory under an international agreement.

FARM PRICES AND SILVER.

I have wandered far away from the alleged appreciation of gold. We have admitted all the foreign proofs of such appreciation. Now let us give some regard to the protection of domestic industry against this curse of cheap money. The great center of food production in this country is now to be found in the ten grain growing States on the upper Mississippi and on the Missouri River. I need not name them. All the facts which I shall now present to you are cited from the wonderful work of analysis lately accomplished by Mr. L. G. Powers, Chief of the Bureau of Statistics of Minnesota, than whom there is no man more competent, or whose figures can be more fully trusted in this country. The place to test the question of the appreciation or depreciation of gold by the standard of prices is there, at the center of production of food by which the world's prices are governed. The right place to test the gold problem is not five thousand (5,000) miles away where the grain and provisions have been charged with the whole cost of transportation and of distribution. It is affirmed that gold has appreciated because the price of grain has been reduced in these foreign countries. That test of the price of grain being admitted, let us now apply it in the Mississippi Valley. If the test is given to wheat only, gold has depreciated since 1866 in the Mississippi Valley because the prices of wheat in Minnesota from 1862 to 1866 averaged fifty-six and one-half cents (56½)

a bushel provided we reduce the currency price of a part of that period to a gold basis. In 1891 to 1894, the average was sixty-two cents (62). Gold has not varied up or down since 1870 because the prices of wheat on a gold basis were almost identical from 1871 to 1874 inclusive, at seventy-three and one-tenth cents (73 1-10) to those of 1891 to 1894 at seventy-three and four-tenths (73 4-10) cents.

The following extract from a report lately made by Mr. L. G. Powers, Chief of the Bureau of Statistics of Minnesota, is given in support of this statement:

"A comparative statement of the average gold values for wheat per bushel upon the farms of Minnesota and New York, and the market value in cents of American wheat in London, England, from 1862 to 1894:

Year.	Minn.	New York.	London.	Differences. Minn. and New York.	Minn. and London.
1862-66	56.5	115.0		58.5	
1867-70	65.3	138.6	175.6	73.3	110.3
1871-74	73.1	134.1	176.3	61.1	103.2
1875-78	72.7	110.5	149.2	37.8	76.5
1879-82	92.2	132.4	149.6	40.2	57.4
1883-86	64.2	92.4	113.5	38.2	48.3
1887-90	73.4	95.3	106.1	21.9	38.7
1891-94	62.1	83.5		21.4	

"An examination of the foregoing table shows that from 1867 to 1870 the Minnesota farmer, on an average, realized in gold only a trifle over one-third of what his wheat was quoted at in London. He received 65.3 cents a bushel, while 110.3 cents were absorbed by the middlemen, the dealers and transportation companies, between him and the London miller, who paid for the wheat 175.6 cents. This great difference between the Minnesota figures for wheat and those of London has steadily declined, and this decline measures the fall of grain prices in Europe. The farmer of the West or producer has received no benefit from this change. It has all gone to the consumer. In fact, the farmer in the Eastern States has lost greatly by this change in the charges of the middlemen, as is shown by the table. The farmer has his benefit of reduced freight charges and cost of handling merchandise, not in the objects produced by him, but in those purchased by him. As a purchaser of farming implements and staples of food, clothes, etc., he reaps his share of the benefits of the elimination of the middlemen, as the purchaser of his wheat in London reaps a corresponding benefit in his purchases of the products of the Western farmer.

"The Minnesota wheat farmer realizes a general advance in the prices obtained by him from 1867 to 1882, and thereafter a decline. Some of the advance between '67 and '82 arose from the introduction of the roller process in milling in Minneapolis, which raised the price of hard spring wheat from a level of 10 cents a bushel below, to 10 cents a bushel above, the best white winter wheat of New York. The fact that other, and more recent, milling inventions have raised the price of winter wheat to nearly the same as that of hard spring accounts for some of the subsequent decline shown in the table for Minnesota.

Mr. Powers further remarks:

"None of the tables when carefully examined give any support to the theories and claims of the advocates for the free coinage of silver. The aver-

age price of wheat advanced in Minnesota after the legislation of 1873 as well as declined. The silver legislation could not produce both. The great decline in the average prices in the Eastern States took place between 1862 and 1873, and not after. The silver legislation of 1873 cannot be said to have caused the decline in grain prices."

I have found it very difficult in discussing this matter in England, especially when I was requested to appear before the Royal Commission on the Depression of Agriculture, to make our English friends comprehend that wheat is not the most important crop in this country, rather an alternate or optional crop in many sections, with the more important products of Indian corn, oats or hay.

And here again I have the liberty to put before you an, as yet, unpublished computation made by Mr. Powers, which you will find conclusive. Dealing with the farm values of nine crops—corn, oats, wheat, rye, barley, buckwheat, potatoes, hay and tobacco, of the State of Illinois, he reaches the following somewhat astonishing results by giving the gold values of these farm products by four-year periods from 1862 to 1894 inclusive. Mr. Powers remarks that Illinois is a large State, and its agriculture is truly typical of the husbandry of all the vast territory extending from Ohio to Kansas inclusive and from Minnesota to the cotton belt of the South. In the years 1862 to 1894 inclusive, Illinois raised a total of 354,711,627 tons of the nine crops, of a farm value of $5,038,150,906 in currency or $4,570,148,391 in gold.

AVERAGE FARM PRICES PER TON IN GOLD IN ILLINOIS, 1862 TO 1894.

CROPS.	1862 to 1866	1867 to 1870	1871 to 1874	1875 to 1878	1879 to 1882	1883 to 1886	1887 to 1890	1891 to 1894	1862 to 1894	Per centages.
Corn	$10.57	$13.08	$10.97	$9.84	$14.55	$11.43	$11.60	$12.91	$11.82	50.36
Oats	16.42	18.35	16.33	13.62	20.68	15.63	15.90	17.92	16.77	9.81
Wheat	29.17	30.44	32.49	28.34	33.10	24.59	26.18	30.96	29.55	8.49
Barley	24.22	29.60	28.16	24.74	29.41	22.39	24.77	18.25	25.72	0.27
Buckwheat	20.95	26.05	29.01	25.76	31.65	25.99	24.87	29.58	25.54	0.04
Rye	16.81	20.62	18.82	17.25	23.68	17.98	18.65	15.04	19.04	0.63
Potatoes	14.89	17.39	23.04	13.51	19.87	12.86	17.11	23.02	17.39	2.37
Hay	7.16	7.55	8.79	6.19	9.54	6.81	8.70	8.62	7.82	27.99
Tobacco	167.24	134.04	156.63	96.08	134.25	147.60	168.14	143.68	145.65	0.03
Corn, Oats & Wheat (1)	14.26	16.38	14.26	12.05	18.21	13.28	14.06	14.83	14.59	
Corn, Oats & Wheat (2)	13.69	15.97	14.40	12.66	17.72	13.66	14.01	14.61	14.59	
All Crops (1)	12.45	13.83	13.17	10.60	16.25	11.31	12.65	13.31	12.88	
All Crops (2)	11.98	13.75	13.13	10.98	15.59	11.83	12.72	13.19	12.88	

No. 1. General average of all. No. 2. Averaged on relative importance.

In the table, which he gives in detail, he gives the average value per ton in gold of each of the nine crops above named. He averages the combined crops of corn, oats and wheat separately, and he also averages the total nine crops. The Indian corn crop or maize constituted a fraction over fifty per cent. (50%) of the total tonnage of these nine crops. Its representative in commerce is, of course, under name of provisions.

The better average, which is the one which I will cite, is obtained by combining the several products in fixed proportion by weight so as to give each its relative importance. The figures in this table, however, vary so little from the general average as not to be of any considerable importance.

The gold value of all crops combined:

From 1862 to 1866, averaged in gold .. .. $11.98 per ton.
From 1871 to 1874, currency price being reduced to gold .. .. 13.13 " "
From 1879 to 1882, the period of great scarcity in Europe, in gold.. .. .. .. 15.59 " "
From 1891 to 1894, in gold .. .. 13.19 " "

Dealing with the crops of maize or Indian corn, oats and wheat, as distinct from the other six crops included in the nine, we get the following results:

Average gold value of maize, oats and wheat:

1862 to 1866, in gold .. .. $13.69 per ton.
1871 to 1874, currency prices reduced to gold.... 14.40 " "
1879 to 1882, in gold.... .. .. 17.72 " "
1891 to 1894, in gold.... .. .. 14.61 " "

MORTGAGE DEBTS.

Yet the people of England and many persons even in this country have been made to believe by clamor of the silver cranks that the condition of western agriculture throughout this period has been one of depression, loss, mortgage and foreclosure. I will quote again from Mr. Powers' statements, made independently from those which I have heretofore presented on this subject. Dealing with the ten great States in which these crops are made, he says, "An analysis of the mortgage debt of any one of these States will show that in 1890 the relative burden was not much, if any, over one-half as great as in 1880." The mortgage foreclosures of these States have been compiled for a long period for only one of these States, that of Minnesota. This compilation has been made by Mr. Powers himself. He says: "The statistics of this State disclose a relative frequency of foreclosures, less in 1893 than in any other year of Minnesota history. It shows that in that year it was less than one-fourth as great relatively as in 1873, or in the period before the noted silver legislation."

Mr. Powers adds this comment: "In view of such facts" (of which I have given you a few) "how long will it be before men will cease parrot like repeating the assertions about American prices, and American debts, and American resources, made by the English bi-metallists? When will they soberly look at the facts showing exactly what American farm prices are and have been, and how the American farmers are by reason of a general advance of prices in the West, rising to greater prosperity than was ever enjoyed by them before the much decried legislation of 1873?

Under these conditions, we will now try this case of the appreciation or depreciation of gold in these great food producing States of the Mississippi Valley by a comparison of the prices of what the farmers buy with the average prices of what the farmers sell. Presto, change! The proof becomes absolute if the price formula be accepted that gold has been subject to a great appreciation in the Mississippi Valley. You will observe that with respect to what the farmer sells it has depreciated; he can get more of it for his crops than he could a few years since. With respect to what the farmer buys, however, it has appreciated about fifty per cent., because he can buy a great deal more of what he wants with every dollar of gold which he has secured by the sale of his crops.

In that monumental work upon prices and wages compiled by Commissioner Carroll D. Wright for the Senate Committee, on which the protectionist Senator, Aldrich, and the free trade Senator, Carlisle, laid aside all questions of theory, uniting in the single purpose of eliciting the truth, to their great honor, we are to find our evidence. All prices are rated by the gold standard of 1860, or an index number of one hundred (100). For the first comparison we will chose the notable year 1872, just before the collapse of the debauched paper currency had brought on the panic of 1873. We will compare the paper money prices of that year with the year 1891, just before the debauch of the cheap-silver coinage had led prudent people to forecast the panic of 1893. All the leading articles of food which the farmers produce and sell, were in 1872 at the index number of one hundred and twenty-two (122)—a rise of twenty-

two (22) points in paper from the gold unit of 1860. How about the farmers' purchases of that date?

Cloth and Clothing stood at	131	in paper	money.
Fuel and Light at	136	" "	"
Metal and Implements at	117	" "	"
Lumber and Building Material at	153	" "	"
Drugs and Chemicals at	123	" "	"
House Furnishing Goods at	113	" "	"
Miscellaneous at	121	" "	"

Witness the malignant influence of fiat money on wages in the diagram herewith.

Now let us go on to the solid ground of gold prices of 1891 before the fear of free coinage had disturbed all the conditions of the country. The food products of all kinds dealt with by Commissioner Wright brought to the farmers, the meat packers, the millers, etc., one hundred and four (104) in gold—a rise of four (4) points, as compared to 1860; but with respect to the farmers' purchases witness the change.

Cloths and Clothing were reduced in cost to him, as compared to 1872	from	131 to	81.
Fuel and Light	"	136 "	81.
Metal and Implements	"	117 "	75.
Lumber and Building Materials	"	153 "	122.
Drugs and Chemicals	"	123 "	86.
House Furnishing Goods	"	113 "	70.
Miscellaneous	"	121 "	95.

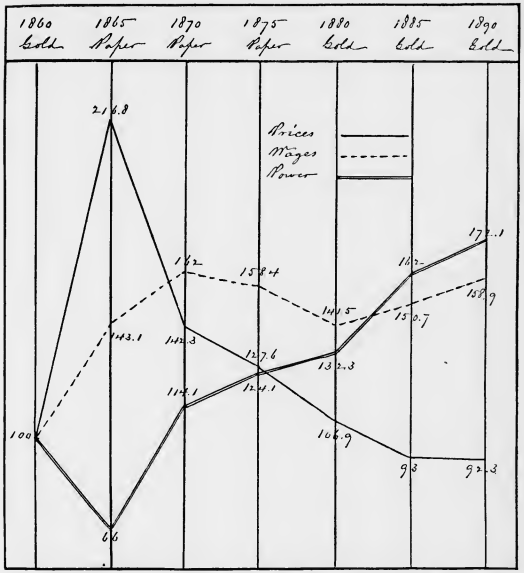
While this great benefit has ensued to the benefit of the farmer in the return from bad fiat money to good money in gold or its equivalent, the benefit to workmen was yet greater. Wages were higher in 1891 in good solid coin made of gold or its equivalent than they had been in bad money. Did manufacturers suffer in this fall in prices of their goods and wares? Witness the evidence which has been very frequently put before us, that up to the date of the silver panic for many, many years the progress of the manufacturers had been so great as to make it a conspicuous period of marked prosperity in the history of their development. Witness all the great extensions of all our workshops and all our factories. That change from bad money to good money had benefited all, although the struggle from 1873 to specie payment on a gold basis in 1879 was so long and so severe.

THE WORKINGMAN'S INTERESTS.

In the diagram on the opposite page you will witness the changes in the ratio of prices and wages, and the rise in the condition of the workman after the gold standard was established clear up to 1890.

If any of you really believe that the silver Senators and their confederates can fool the farmers or that they can fool the workmen into helping them to put good money out of use and to force bad money into use by acts of Congress? If you believe that, you are more credulous than men in your position are apt to be; and I think that the creditors of those who are of that way of thinking had better be looking after the security of their loans. That is the way in which I regard the standing of both men and States. If States send representatives of bad money to Congress, the only safe rule is to stop not only the credit of the State, but of every customer that you have in it, unless you know him to be conducting his business on a solid foundation and on a gold basis.

Diagram showing the Course of Prices, Wages, and the Purchasing Power of Wages, 1860 to 1890.



The course of prices shows the average variation from a standpoint of 100 in 1860 computed upon the market prices of over 200 articles.

The course of wages is computed on the general average of mechanical and manufacturing industries.

The data on which this diagram is based are given in the Report of the Finance Committee of the Senate on Prices and Wages for 52 years, compiled under the direction of Commissioner Carroll D. Wright.

THE MAINTENANCE OF CREDIT.

Such a decision to deny a credit not only to States, but to the citizens of States which send advocates of the free coinage of silver to Congress may seem to be a very severe decision, yet it is a perfectly legitimate one. The action on the part of the voters discloses a fact. What is that? It is that the people of that State hold that creditors possess no rights which the law is bound to respect. Where that principle is found, the people are not fit to be trusted. They may be very indignant when held to such a decision, as they often are. I will take a typical example without going into details. The State of Texas is an empire within itself. It exceeds the area of the German Empire by a little patch of land which itself is equal in size to Great Britain. It

possesses an almost unlimited potential in food, fiber, timber and metal, with a varied climate and conditions conducive in nearly all parts of the State to health and vigor. Yet it lags far behind in progress. Why? Simply because for a long term of years acts of the legislature have succeeded each other, all passed upon the idea that the creditor, especially the foreign creditor, possesses no rights which the laws of Texas are bound to respect—alien laws affecting foreign capital, exemption laws subject to such abuse that if a landlord lives in a hotel worth fifty or a hundred thousand dollars that amount of property is exempt from attachment by his creditors because it is his domicile. Who can trust a landlord in Texas for household furniture or crockery or any other supply with any confidence so far as credit rests upon statute law? What wonder that Texas drags along with less than ten thousand (10,000) miles of railway, when an equal area of the middle West with no greater potential in mineral, timber or agriculture is served by over forty thousand (40,000) miles.

Again, witness the ridiculous absurdity on the part of the people of Texas sending representatives to Congress who advocate a policy by which bad money could be forced upon them for their three million bales of cotton, for their beef cattle, for their timber, for their wool for which they now command good money on the gold standard. To my mind, the depth of financial ignorance could no further go than the point to which it has fallen in that great domain of the State of Texas—to whose resources I myself have perhaps called as much attention as any other economic writer. It is difficult to comprehend the delusion to which Texas is now subject in favor of cheap money. The financial history of Texas during her existence as an independent State has been published. It proves that she went through the whole course of depreciated money in a very short term of years, meeting the distress and disaster which always ensues from bad money. She held sternly to the gold standard throughout the Civil War, refusing both the Confederate notes and the greenbacks, while now she has debased her credit, retarded immigration, lessened her power and lags far behind the position which she might hold because her people do not appear to comprehend the simple principles of financial integrity and of a sound and stable currency. Is it not time that intelligent people had learned that where equal rights and equal laws do not protect the creditor as well as the debtor the loss falls on those who might by borrowing rapidly promote the development of great resources? Capital can take care of itself, and will keep out from the State which sends free coinage members to Congress and protects debtors under a policy which, whether wittingly or not, is framed upon the ground that creditors possess no rights which the law of the State is bound to respect.

There may be in each State a few men who can be trusted because their character and standing is better than that of the State in which they live, but they are the exception. The deluded masses of such a State are deprived by those who mislead them of that credit to which the State itself and all its members might be entitled.

I am led to bring up the case of the State of Texas as an example from having carefully read a speech by her youngest member of Congress, Mr. Bailey, given in the House of Representatives on the 12th of February. It is the speech of a sincere man who believes that he is right, but who has not half mastered the subject with which he has grappled. The credit of the whole State is depraved by the good intentions of some of its Senators and Representatives.

Farmers, farm laborers and the converters of their crude products into dressed meats, canned provisions, flour, dairy products and the like numbered

in 1880 at least one-half of the whole working community. Great improvements have been made in all the processes since that date. Larger product has been made with a somewhat lessening number. But it is unquestionably true that very nearly one-half of all who are occupied for gain get their living on farms and in putting the crude products of the farm into their secondary form, in which in the census statistics they are classed as manufactures. This part of the community, with those dependent upon them, are the chief consumers of all our manufactures. When they thrive, the home market is active. When their industry is depressed, the whole home market suffers. For the past ten years not less than fifteen per cent. of the products of agriculture, on the average, have been exported year by year. It is probable that not less than fifteen hundred thousand (1,500,000) of this class of our population depend for the returns from their labor on sales being made freely for export. I think it is probable that the number is nearer two million (2,000,000). A considerable part of the exports consist of cotton, which is in large measure the handicraft of the small cultivator, not like wheat the product of mechanism applied to a large section by a relatively small number of persons. In addition to this export of farm products, the exports of manufactured goods are rapidly increasing, penetrating to every part of the world to the amount of approximately two hundred million dollars ($200,000,000) a year in the last year. That export, again, has been from the work of two hundred thousand (200,000) persons engaged in manufactures. If we assume an average product of a thousand dollars, which is too large, it is probable that two hundred and fifty to three hundred thousand (250,000 to 300,000) persons occupied in all the various arts and manufactures not included under the head of exports of farm products, depend wholly upon the export demand for the sale of an excess of manufactures which we could not use in this country. As I have said, these goods and wares are penetrating every part of the known world. If the rate of wages governed the cost of all this food, these fibers and these fabrics, not a single dollar's worth could thus be disposed of, and they are all converted into money in terms of gold.

OUR FOREIGN MARKETS.

Where do we find our principal market? When we search for it our attention is again called to the fact that by the application of modern science, invention and machinery the purchasing power of our customers has been increased, and that our best market for almost everything that we export is found among the machine-using nations, where wages, although not as high as they are in this country, are higher than they are in any other part of the world. For the last ten years sixty per cent. (60%) of all our exports have been taken by the United Kingdom of Great Britain and Ireland and her colonies—in the ratio, disregarding fractions, of fifty to ten. France, Germany, Belgium, and Holland have taken twenty-three per cent. (23%), thus leaving only seventeen per cent. (17%) for the rest of the world, of which less than four per cent. (4%) was taken by the whole Continent of South America.

But again, there is one very noticeable fact. These manufacturing or machine-using nations, United Kingdom and Colonies—France, Germany, Belgium and Holland, which buy of us eighty-three per cent. (83%) of our entire exports are all gold standard nations at the present time. I need not dilate on the significance of these facts to such an audience as this. Let us, however, before I close, glance forward in order that we may in some slight measure comprehend the future of this country. I have developed the theory that high wages must be recovered from the sale of products, which are made under the best

conditions by States or nations that are endowed with the greatest natural resources and where the taxation is the lowest. The sources of all profits, wages, earnings and taxes is the product of the nation taken as a whole. We deal with and divide this product in terms of money, but yet money is only the instrument of exchange and the measure of its valuation. The law of progress, developed more and more rapidly in this country for the last fifty years than in any other, has been exemplified by the tendency of profits to a minimum and of wages to a maximum.

I venture to ask you to compare for a moment the conditions of the United States with those of other machine-using or manufacturing nations with whom we compete and whom we also supply with the largest part of our exports of goods and wares of every kind.

VALUATION AND DESTINATION OF THE EXPORTS FROM THE UNITED STATES.

	Exports, 1885 to 1894 inc.	Annual Average.	Per cent. of Total.	Approximate Population.	
United Kingdom, Great Britain and Ireland	$4,060,135,619	$406,013,562	51.12	40,000,000	
British Colonies and Dependencies	712,054,131	71,205,413	8.97	10,000,000 300,000,000	White. Mixed.
	4,772,189,750	477,218,975	60.09	350,000,000	
France, Germany, Holland and Belgium	1,809,533,962	180,953,396	22.78	104,000,000	
	6,581,723,712	658,172,371	82.87		
Russia, Austria, and other European States	482,379,273	48,237,927	6.07	230,000,000	
	7,064,102,985	706,410,298	88.94		
China, Japan, and other Countries in Asia not under British Rule	116,481,826	11,648,182	1.47		
Africa not under British Control	6,847,818	684,782	.09		
Hawaiian, Phillipine and Islands not British or Spanish	44,348,757	4,434,876	.56	642,000,000	
Small unenumerated Places	13,953,245	1,395,324	.17		
	7,245,733,631	724,573,462	91.23		
South America omitting British Guiana	295,285,939	29,528,594	3.70	36,000,000	
Spanish and French West Indies, Hayti and San Domingo	244,755,771	24,475,577	3.08	2,500,000	
Mexico	113,517,519	11,351,752	1.43	12,000,000	
Central America, omitting British Honduras	44,653,095	4,465,309	.56	3,500,000	
United States				70,000,000	
	$7,943,346,955	$794,334,695	100	1,450,000,000	

Authority—Report of 1895, Bureau of Statistics, U. S. Treasury.

Our chief competitors, as well as our largest customers, are the people of Great Britain and Ireland. (In dealing with these facts I shall omit fractions, giving you only round figures.) They number forty million (40,000,000). Their expenditures for national purposes last year were nearly four hundred and sixty million dollars ($460,000,000), and will this year be in excess of five hundred million dollars ($500,000,000.) They are deficient in food, timber and in the ores of the metals which they chiefly work. Their supply of ores in Spain for making steel is nearly exhausted. Their coke costs double or triple what coke costs in this country at the oven, owing to the depth and heat of the mines

and the narrowness of the veins. Their standing army and navy in active service numbers two hundred and sixteen thousand (216,000) men.

Our next largest customer and competitor is Germany, with a population of approximately fifty million (50,000,000). The national expenditure for imperial purposes only is two hundred and ninety-five million dollars ($295,000,000), to which must be added great sums, which I cannot compute, of the expense of kingdoms and duchies, which are of imperial nature, and do not correspond to our State expenditures. Germany is deficient in fuel, in timber and in fibers, and often deficient in food, the greater part of her land being poor. The standing army and navy of Germany exceeds six hundred thousand (600,000) men.

Our next largest customer and our competitor in finer fabrics is France with a population of forty million (40,000,000). France has an abundant supply of food, but is deficient in metals, ores and fibers. Her national expenditures in 1895 were over six hundred and sixty million dollars ($660,000,000), and have increased. Her standing army and navy numbers over five hundred and fifty thousand (550,000) men.

Dealing with taxation per capita only, our own being now at the rate of five dollars ($4) per head, that of Great Britain is more than twice that of France more than three times, and that of Germany at least double, while if we were obliged to sustain a standing army and navy in proportion to the burden upon these three countries, it would number nine hundred thousand (900,000) men. The jingo policy points in that direction. But when we compare this burden of national taxation and the average tax of the standing army with the lesser and least production per capita of these countries, as compared to our own, our contribution to the support of the Government is as nothing compared to the increasing burden upon these nations. The cost of our national Government for fifteen or twenty years, aside from pensions, has ranged from two and one-half to three dollars ($2.50 to$3) per head, and will not exceed that rate when our debt is paid and the pensions full in.

I need not bring before a Pennsylvania audience the portentous meaning of the passing from Great Britain, France and Germany of the dominant position in the control of the products of iron and steel to this country; yet more fully assured than ever before since the uncovering of a range of the most useful phosphoric iron ores in Virginia and Tennessee, which will give us the control of the basic process of making steel, as we now have the control of the Bessemer.

Among the machine-using nations of the world, in which by way of science and invention the highest wages have been attained, accompanied by the lowest cost of production, the people of the United States now number over seventy million (70,000,000), constituting the only nation which produces within its own area an excess of food, an excess of timber, an excess of all metals, including gold and silver and excepting only tin, an excess of fibers, except silk and wool, the latter soon to be produced in excess upon the Piedmont Plateau and the Cumberland Plateau, as soon as the cur dog has been suppressed.

When the full comprehension of this paramount position of a nation devoted to peace, order and industry comes to its full fruition, I believe that the word may be repeated, which I uttered in 1888, when this glowing picture first came before me amid the figures and statistics which I had compiled, and the notice will be given to the army and debt-burdened people of Europe, disarm or starve.

But until our great resources, our industrial energy and our power of production are adjusted in their distribution to a single, stable and just unit of

value, without contest or question, depression will continue, loss will be incurred, want will increase in the midst of abundance, and we shall deprive ourselves as we are now depriving ourselves at this moment of the benefits which I have attempted to picture by tampering with our own standard or unit of value. Had it not been for the discredit brought upon us by the threat of free coinage, I am of the most profound conviction that the deficiency in the national revenue would have disappeared many months since. Trade would have been active, wages would not have tended downward, as they have of late, and more work would have been waiting for those who possess the skill and industry than the existing force could have supplied. As I glance over the present condition of the country with its ample capital, its great resources, its productive energy, its high wages and its low taxes, I can find no other cause for our existing discredit and uncertainty, our slight deficiency of revenue and all our other difficulties than this issue now joined on the question whether the money of the United States shall be good or bad.

When I submit to you that statement, I believe that I speak in the name of every man of any authority in New England—whether classed with the advocates of protection, of tariff reform, or of free trade, who is not a mere partisan or an unreasoning doctrinaire. I believe that it is the deliberate judgment of the business community, as a whole, that we should have a rest from the uncertainties of tariff changes—that whether the present tariff be better or worse than those which have preceded—time should be given to test it under normal conditions, which can only be attained when this paramount issue between good and bad money has been finally adjudicated. I think I cannot be mistaken in this because my relations are very close, especially with all the leading manufacturers of New England. For myself, I should hardly ask a candidate what course he sustained on the minor issue of protection or free trade—the man who would defend the present standard with the greatest courage and influence would receive my vote in disregard of every other question. When I have announced that conviction, I am sometimes asked how about jingoism, to which I have replied: The folly of jingoism is not to be imputed to any man who possesses influence, courage or authority on any subject. Let jingoism be left to the imbecile and feeble-minded.

I trust and believe that the measures now being taken to keep the control of this issue between good and bad money from becoming the foot-ball of the straddling politicians will be effective. All other questions sink into insignificance. A union of right-minded men is now being organized, as you are well aware, in whose name every candidate for the next Congress will be put to the question. To whichever party he belongs and whatever may be his views on revenue questions, the candidate who stands firmly by the single standard and who will maintain the present lawful unit of value—a dollar made of gold—will receive the vote of every member of the Union for Sound Money or whatever may be its title.

END OF
TITLE